

### TRANSCRIPT OF PROCEEDINGS

# Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

IN THE MATTER OF:

EB DOCKET NO. 04-381

FLORIDA CABLE TELECOMMUNICATIONS ASSOCIATION, INC., ET AL.

FOC-04LJ NO. 06

# ORIGINAL

DATE OF HEARING: APRIL 10, 2006

**VOLUME: 5** 

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# BEFORE THE FEDERAL COMMUNICATIONS COMMISSION WASHINGTON, D.C. 20554

IN THE MATTER OF

FLORIDA CABLE TELECOMMUNICATIONS
ASSOCIATION, INC.; COMCAST
CABLEVISION OF PANAMA CITY, INC.;
MEDIACOM SOUTHEAST, L.C.C.; AND
COX COMMUNICATIONS GULF, L.C.C.,

Complainants,

V .

GULF POWER COMPANY,

Respondent.

EB Docket No. 04-381

VOLUME 5

Federal Communications
Commission
Hearing Room A, TW A-363
445 12<sup>th</sup> Street, S.W.
Washington, D.C.

Monday, April 10, 2006

BEFORE:

THE HONORABLE RICHARD L. SIPPEL Chief Administrative Law Judge

## \*\*CORRECTED EXHIBIT PAGES 344 AND 345 ATTACHED\*\*

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### EXHIBITS

Number	For Identific	ation In E	vidence
Gulf Power:			
1 through 3	353		353
4	365		365
5 through 9	367		367
10	374		374
11 and 12	377		377
13 through 30	389		389
31 through 34	395		395
35 through 37	399		399
38 through 46	410		410
47 through 53	413		413
54 and 55	418		418
56 through 59	430		430
60, 62 through 64	457		457
61	457	rejected,	457
65	460		460
Complainants:			
1 through 7	493		493
8 through 10	496		496
11 and 12	498		498
13 and 14	499		499
15 through 18	501		501
19	502		502
20 through 27	504		504
28	505		505
29 through 35	522	rejected,	
36	523		523
37	524		524
38	525		525
39 and 40	526		526
41 through 45	529		529
46	530	rejected,	
47	534		534
48	542		542
48(a)	542	rejected,	
49 through 54	548	rejected,	
55	549	withdrawn,	549

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## EXHIBITS

Number	For Identific	ation In E	<u>vidence</u>
Complainants:			
56	553		553
57 and 59	555	rejected,	555
58	555		555
60	558	rejected,	558
61	558		558
62 through 70	560	rejected,	560
71 and 72	562	rejected,	562
73	562	withdrawn,	562
74 through 77	563		563
78 and 79	566	rejected,	566
80	567	rejected,	567
81 and 82	572	rejected,	572
83	573		573

Start Time: 9:38 a.m. End Time: 3:47 p.m.

1 PROCEEDINGS 2 (9:38 a.m)3 JUDGE SIPPEL: On the record. 4 Has everybody given their appearances to 5 the court reporter? Okay. Well, I'm going to skip 6 the formalities this morning if that's okay and get 7 right down to some business. 8 This is the first day of hearing in the 9 case of Florida Cable Communications Association, 10 Inc., et al, Complainants, v. Gulf Power Company, CB 11 Docket No. 04-381. 12 The purpose for today's proceeding is 13 limited solely to documents, and I understood coming 14 in, I spoke with my administrative officer, Ms. 15 Gosse, and she said that you had some questions, and 16 the answer is yes, and you would figure out the 17 logistics with Ms. Gosse and whoever else does 18 logistics around here. 19 Now, we get right to the heart of the 20 matter, which is the documents, and the way I intend 21 to proceed is to first start with Gulf Power documents

and finish with them, and then move over to the

1	Complainant's documents.
2	I want to keep this to well, I'll have
3	to see how it goes along, but a minimal of objections
4	and a minimal of arguments. I think that evidence in
5	one sense, it seems to me, is very clean evidence in
6	the sense that it's basically business documents, and
7	you know, they are pretty noncontestable on their
8	face, at least as far as admissibility is concerned.
9	They're reliable and they're genuine. This is not
10	being challenged. So I'm hoping that we don't have
11	too much of a problem.
12	But let me start. Let me start with Gulf
13	Power and ask counsel how you want to proceed on this.
14	Your first volume is Notebook 1 of 5; is that correct?
15	MR. LANGLEY: Yes, Your Honor.
16	JUDGE SIPPEL: Is that how you want to
17	proceed?
18	MR. LANGLEY: I think that makes sense.
19	JUDGE SIPPEL: Okay.
20	MR. LANGLEY: Did you want to take this
21	exhibit by exhibit or did you want to
22	JUDGE SIPPEL: I want to talk about that.

1	that's a good question. I wanted to see how. The
2	court reporter has a list of the documents, and these
3	are tabbed. I can see in the first volume, for
4	example, you've only got one tab. It's all in one.
5	So that should go pretty quickly.
6	It's just a question of marking the first
7	page of the exhibit. The reporter, whatever stamp,
8	whatever designation you use, indicate that it's being
9	identified and received and we move on from there.
10	My method is generally that, to have the
11	first page of the document stamped, identify the
12	number of pages, offer it, have it received, and then
13	move on to the next one. It should go fairly rapidly,
14	I hope.
15	MR. LANGLEY: Would it be acceptable to
16	maybe just ask what the first document is where
17	there's an objection and then we can go back and say
18	the first document they object to is four? We could
19	just receive one through three and do four?
20	JUDGE SIPPEL: Well, that's a good idea.
21	I mean, that's a good idea. We can go off the record
22	while the reporter marks them and does whatever he

needs to do to be sure that -- I mean, I'd like to be able to do it volume by volume, but I've really got to do it document by document.

Let me ask that question of Mr. Seiver.

Are there any of these documents that you're going to object to?

MR. SEIVER: Yes, Your Honor, and in fact, Volume 1 I think is only one exhibit. The problem is both with their first three exhibits, is the opening document in that exhibit, the opening pages are an affidavit of Mr. Dunn, who has submitted direct testimony in this case and as I understand will be appearing at the hearing, and his deposition was taken.

But it seemed to me that the affidavits themselves had no independent admissibility when being offered by counsel for the proponent of that witness, as straight hearsay. If he needs to testify to something, he'll testify to it. If he doesn't, he doesn't. But I didn't think that bringing in his affidavit, even though at least one or more of them were asked at deposition, had anything to do with the

evidentiary rules for permissible admission.

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And what was attached to Mr. Dunn's affidavit, and I apologize for not having done this -sorry for the time -- a lot of the exhibits that are attached, not every one of them are very duplicative οf other exhibits, of either pole attachment agreements or the plates, other cases. I mean, it is not really a business document. It was something that was filed in the earlier part of this case, and we have had a discussion about what would be admitted as an exhibit in this case from the prior proceedings in this case.

And there are targeted items from the earlier proceedings that we want to make exhibits, but something like this that comes in that is basically a disjointed, you know, three inch thick document that contradicts or maybe varies from other exhibits that we don't have a problem being admitted and with it being an affidavit seemed inappropriate.

JUDGE SIPPEL: What's the nature of the affidavit?

MR. CAMPBELL: If I could respond to that,

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1 Russ Campbell, Your Honor. 2 JUDGE SIPPEL: Mr. Campbell, yes, sir. 3 MR. CAMPBELL: There were at least a 4 couple of reasons that this affidavit should be 5 admitted into evidence. The first relates back to the 6 FCC's procedural rules. As we read them, Mr. Dunn is 7 going to be a witness in the case. He has offered 8 direct testimony, and Rule 1.362 says that after a 9 witness is called and has given direct testimony in a 10 hearing and before he is excused, any party may move 11 for the production of any statement of such witness, 12 and then that should be offered into evidence. 13 By offering it as one of our exhibits, we are, of course, so moving. The reason it should come 14 15 in is Mr. Dunn directly refers to those previous 16 affidavits in this proceeding as the bases for some of 17 his testimony. 18 In order not to have to recapture pages 19 and pages of explanations, he simply referred back to the previous affidavit in this proceeding and some of 20 21 the attachments to those affidavits. All right. 22 JUDGE SIPPEL: Well, I've

heard enough on this. Now, what about the character of the exhibit itself? It has been characterized by Mr. Seiver as disjointed.

MR. CAMPBELL: Yes. I don't know where the disjointed comes from. It is the complete affidavit with all of the attachments that were submitted to this proceeding, and I might add that some of those attachments are actually referred to on Complainant's exhibit list, and so in the interest of completeness, it would seem to me that we need the entire affidavit with its attachments in evidence in the case.

JUDGE SIPPEL: Well, I'm satisfied. I know that this is -- and, Mr. Seiver, you'll have to bear with me -- this is not going to be -- we don't achieve perfection here. We achieve substantial compliance with every rule or every consideration that's pertinent to it, and the most pertinent is my feeling with respect to the evidence.

By virtue of the fact that Mr. Dunn is going to be here, if there is anything in the affidavit that's inappropriate, you'll have a chance

1	to either cross examine or move to have it stricken,
2	and that goes true of all of these documents.
3	I'm going to be rather lenient in terms of
4	receiving them into evidence just because of the
5	logistical and the time constraints. But you always
6	have an opportunity of moving to strike, and as we get
7	into the actual hearing itself, things can be fleshed
8	out better than they are today.
9	So anyway, that's my ruling. My ruling is
10	that this can be received into evidence. The
11	objection is overruled. The reporter will mark this
12	for identification as what? Somebody give me a name.
13	MR. CAMPBELL: Gulf Power Exhibits 1, 2
14	and 3.
15	JUDGE SIPPEL: All right. Gulf Power 1,
16	2, and 3 are marked for identification, and you're
17	moving them into evidence at this time?
18	MR. CAMPBELL: Yes, Your Honor.
19	JUDGE SIPPEL: Okay. Subject to objection
20	by counsel, Mr. Seiver, they are received into
21	evidence.
22	(Whereupon, the documents

1 referred to were marked as Gulf 2 Power Exhibit Nos. 1 through 3 3 for identification and were 4 received in evidence.) 5 JUDGE SIPPEL: Thank you. MR. SEIVER: Your Honor, could I request 6 7 one clarification? As far as the affidavit itself 8 being testimony of Mr. Dunn, I would ask that it --9 and maybe this will be fleshed out during cross examination -- that it is not the same as his direct 10 11 testimony as far as the consideration put forth. I'll be able to follow 12 JUDGE SIPPEL: 13 I'll be able to follow it. You know, this is that. Dunn's testimony, the affidavits, and correspondence 14 and Christmas cards. Whatever it is isn't going to 15 16 really come into focus until you come up with proposed 17 findings. 18 As long as he's testifying to what's 19 relevant to the issues and is qualified to testify, that's my main concern. But I certainly will permit 20 you, you know, leeway in your cross examination to 21 explore the areas that are giving you concern. 22

1 MR. SEIVER: That brings up one more 2 thing, and maybe if we get this resolved now that will 3 make the rest of the morning go a lot faster, Your 4 Honor, on relevance. One of our objections had been 5 during the earlier stages of the proceeding is that 6 the evidence that Gulf Power had described when it was 7 seeking rehearing and then itemized and then discussed 8 during the process of what was going to be submitted 9 we believe is not tied into the APCo test.

And in fact, Mr. Dunn's prior affidavits were done before the APCo decision had been rendered, and then subsequent to the APCo decision, both at the FCC's review of the APCo complaint and then the Eleventh Circuit, standards were set which we believe none of the evidence that's being proposed by Mr. Dunn in his direct testimony or his affidavits complies with it.

Now, if Your Honor would prefer to have Mr. Dunn on the stand and we go through it and then make that argument that way, but the replacement cost methodology, for example, had been expressly rejected by the APCo court or APCo at the Commission, which was

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1	affirmed on appeal in the Eleventh Circuit, and that
2	the very narrow issue for this proceeding was whether
3	a pole is at full capacity and there's a demonstrated
4	lost opportunity, that somehow or other there's excess
5	of marginal cost, which this has got to do with
6	replacement cost, nothing to do with marginal cost.
7	This might be an issue that the court will
8	be hearing ad nauseam from the different witnesses,
9	but I wanted to make my objection clear at the
10	beginning that as to relevance of the replacement cost
11	and everything else.
12	JUDGE SIPPEL: I don't want to spend a lot
13	of time on this this morning. This is exactly what
14	I'm trying to avoid.
15	Certainly, if you want to point out your
16	inconsistencies or with respect to the APCo case in
17	this testimony, fine. You know, the record will so
18	reflect. If it's bad enough to strike, I'll grant
19	your motion to strike.
20	We're not going to spend an awful lot of
21	time on that.
22	MR. SEIVER: Well, Your Honor, that was

1 just my overall -- that objection permeates all of the 2 testimony of Gulf Power and their exhibits because it all is based on not showing a lost opportunity and 3 4 valuing the lost opportunity, but through 5 replacement cost model for valuing a pole --6 JUDGE SIPPEL: Well, as I say, both sides 7 will have the opportunity, you know, to just 8 completely cut the other side's position apart in 9 proposed findings. I'm relying on you all to educate me in terms of what is and what isn't important to 10 11 you. I can determine relevance with respect to 12 that Eleventh Circuit decision, but, you all have to 13 14 tell me what you're relying on. And if he's relying on things that you feel are just completely off base 15 16 as far as the Eleventh Circuit is concerned, you're 17 going to let me know that. Very well, Your Honor. 18 MR. SEIVER: 19 just wanted to make sure that the objection was noted. JUDGE SIPPEL: All right. So noted. 20 Now, I may have moved a little bit too 21 That was Exhibit 1 and how many 22 quickly on that.

1	volumes do we have in Exhibit 1?
2	MR. LANGLEY: Your Honor, there were
3	actually three exhibits that were Mike Dunn
4	affidavits. They were one, two, and three.
5	JUDGE SIPPEL: Yes.
6	MR. LANGLEY: One has most of the
7	attachments to it. Two and three are shorter
8	affidavits and maybe even no attachments. John
9	probably knows, but I think that I don't mean to
10	speak for John but I believe his objections were
11	JUDGE SIPPEL: You mean Mr. Seiver?
12	MR. LANGLEY: Yes, Mr. Seiver. I'm sorry.
13	I didn't mean to speak for Mr. Seiver, but
14	I think his objections covered all three affidavits.
15	MR. SEIVER: That is correct, Your Honor.
16	JUDGE SIPPEL: No, but what is being
17	identified as Gulf Power Exhibit No. 1 as far as pages
18	is concerned, volumes is concerned?
19	MR. CAMPBELL: It's Volume 1 of the five-
20	volume set, is Exhibit 1.
21	JUDGE SIPPEL: Okay.
22	MR. CAMPBELL: Correct, and then Tabs 2

1	and 3 are in Exhibit 2, are in Notebook No. 2 of 5.
2	JUDGE SIPPEL: Do you know how many actual
3	pages are in the exhibit?
4	MR. CAMPBELL: We can deduce that from the
5	Bates numbers.
6	JUDGE SIPPEL: Okay. Well, you don't have
7	to do it right now, but would you do it with the
8	reporter off the record so that he has a list that
9	says not only what the exhibit is in terms of how
10	you're identified it, but also the number of pages in
11	the exhibit because these documents are going to go
12	into wherever they go over here with Dockets, and
13	we're going to have to count pages.
14	Okay. Now, direct me now to the next
15	exhibit that you want to introduce.
16	MR. LANGLEY: Gulf Power Exhibit 4, Your
17	Honor.
18	JUDGE SIPPEL: And is that in a separate
19	volume?
20	MR. LANGLEY: It is not. It is part of
21	Volume 2.
22	JUDGE SIPPEL: Do you have it marked as

1	Volume 2 or is it just the second volume?
2	MR. LANGLEY: It is marked as Volume 2 of
3	5 excuse me Notebook 2 of 5.
4	JUDGE SIPPEL: Excuse me. Volume 2, I
5	have oh, those are Complainant's exhibits. I'm
6	sorry.
7	Okay. I've got it. Gulf Power Exhibit 2
8	of 5, Notebook 2 of 5, correct?
9	MR. LANGLEY: Yes.
10	JUDGE SIPPEL: Okay. Let's go. Do you
11	want to identify the exhibit and the purpose for which
12	it's being offered?
13	MR. LANGLEY: If Your Honor requests.
14	This is a composite exhibit which includes Gulf
15	Power's cable TV permitting procedure, as well as a
16	complete set of the CATV permit records from 1999
17	through the end of 2005.
18	JUDGE SIPPEL: Okay. And the purpose for
19	which this is being offered?
20	MR. LANGLEY: This shows the first part of
21	the exhibit, which is the CATV permitting procedure,
22	establishes the process by which the Complainants

1	attach to Gulf Power's poles.
2	The second part of the exhibit deals with
3	essentially is a record of all of the permit sought
4	by the various attachers in Gulf Power's service
5	territory, including, but not limited to, the
6	Complainants.
7	I don't know that this is the subject of
8	objection though. I think they have marked
9	JUDGE SIPPEL: Well, wait. Before we get
10	to that, excuse me, I need to interrupt. I just want
11	to understand what the exhibit is and what it is that
12	you're offering it, for what purpose you're offering
13	it. That's all.
14	And then Mr. Seiver will get his chance to
15	address it. I have a volume here that says it's Gulf
16	Power's Notebook 2 of 5, and there are I count 11
17	I'm sorry Tabs Nos. 2 through 11.
18	MR. LANGLEY: Correct, and we're dealing
19	with Tab 4.
20	JUDGE SIPPEL: Two and three were part of
21	Exhibit
22	MR. LANGLEY: Two and three were the

1	second and third affidavits of Mike Dunn. Exhibits 1,
2	2, and 3 are all affidavits of Mike Dunn.
3	JUDGE SIPPEL: Okay. It just happens to
4	be in a different volume.
5	MR. LANGLEY: That's correct.
6	JUDGE SIPPEL: Two and three are in a
7	different volume.
8	MR. LANGLEY: Yes.
9	JUDGE SIPPEL: So we're picking up with
10	four here.
11	MR. CAMPBELL: It might help, Your Honor,
12	if we step back for a minute and talk about how we
13	compiled the notebooks because there appears to be
14	some confusion about that. Consistent with the
15	scheduling order, what we have done is identify each
16	exhibit that is on our exhibit list with a tab that
17	corresponds to the exhibit number. So Tab 1 in Volume
18	1 of the notebook was Exhibit 1. Tab 2 in the second
19	volume of exhibits is Exhibit 2, and so they are
20	numbered by exhibit numbers, and it just so happened
21	that Exhibit 1 was so thick it covered an entire
22	notebook.

1	Exhibit 2 is right here, and now we're on
2	Exhibit 4. So we understand that one through three
3	are already in. We're now on Exhibit 4.
4	JUDGE SIPPEL: Okay. Well, does the
5	reporter do you understand that?
6	So as far as my instructions are
7	concerned, you've been instructed to mark and receive
8	into evidence Exhibits Nos. 1, 2, and 3 up to this
9	point, and we know where they are, and you know that
10	you're going to have to account for the number of
11	pages in the individual exhibit.
12	MR. CAMPBELL: Yes, Your Honor. And I
12 13	MR. CAMPBELL: Yes, Your Honor. And I might suggest on that because this is going to be a
13	might suggest on that because this is going to be a
13	might suggest on that because this is going to be a problem with Complainant's exhibit as well, they have
13 14 15	might suggest on that because this is going to be a problem with Complainant's exhibit as well, they have three notebooks. We have five. We've got eight
13 14 15 16	might suggest on that because this is going to be a problem with Complainant's exhibit as well, they have three notebooks. We have five. We've got eight notebooks to ID the pages on. It might be helpful if
13 14 15 16 17	might suggest on that because this is going to be a problem with Complainant's exhibit as well, they have three notebooks. We have five. We've got eight notebooks to ID the pages on. It might be helpful if we do that after we leave the hearing and resubmit
13 14 15 16 17	might suggest on that because this is going to be a problem with Complainant's exhibit as well, they have three notebooks. We have five. We've got eight notebooks to ID the pages on. It might be helpful if we do that after we leave the hearing and resubmit that
13 14 15 16 17 18	might suggest on that because this is going to be a problem with Complainant's exhibit as well, they have three notebooks. We have five. We've got eight notebooks to ID the pages on. It might be helpful if we do that after we leave the hearing and resubmit that  JUDGE SIPPEL: Yes.

Ţ	or pages.
2	JUDGE SIPPEL: Yes. You've thrown me a
3	life preserver. Absolutely. I am expecting that this
4	will be done the right way by counsel and the staff,
5	and we can do it off the record. We can do it during
6	lunch. We can do it after we're finished here today,
7	you know. I leave that really, I appreciate that
8	very much.
9	MR. CAMPBELL: Mr. Seiver and Mr. Cook, is
10	that okay?
11	JUDGE SIPPEL: Let's just keep moving. I
12	do appreciate that.
13	So we've got Gulf Power No. 1, Gulf Power
14	No. 2, Gulf Power No. 3 is in. Now we're under Gulf
15	Power No. 4, which is in Volume 2, and this says CATV
16	permitting procedure. Okay, and we have already
17	gotten an explanation on that; is that right?
18	MR. LANGLEY: Yes, Your Honor. We move to
19	admit.
20	JUDGE SIPPEL: Any objection? Subject to
21	your other objection.
22	MR. SEIVER: Yes, Your Honor. No